GELMAN, ROSENBERG
& FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

March 21, 2018

To the Board of Directors
D.C. Volunteer Lawyers Project
Washington, D.C.

We have audited the financial statements of the D.C. Volunteer Lawyers Project (DCVLP) for the year ended December 31, 2017, and have issued our report thereon dated March 21, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 21, 2017.

Professional standards also require that we communicate to you the following information related to our audit.

- **Qualitative Aspects of Accounting Practices**

  Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by DCVLP are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2017. We noted no transactions entered into by DCVLP during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

  We noted three new accounting principles that will be adopted at the required implementation dates.

  1. ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), effective for fiscal years beginning after December 15, 2017. While the ASU will change the presentation of the financial statements in the year of implementation, it will not alter the reported financial position.

  2. ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), effective for fiscal years beginning after December 15, 2018. The ASU dictates revenue recognition to be based on the transfer of promised goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

3. ASU 2016-02, *Leases* (Topic 842), effective for fiscal years beginning after December 15, 2019. The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments, and requires disclosure of key information about leasing arrangements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was management's estimate of the allocation of expenses to programs. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

- **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

- **Discussions Prior to Retention**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as DCVLP's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

- **Planned Scope and Timing of the Audit**

We performed our audit according to the planned scope and timing previously communicated to you in our engagement letter and our other letter on planning of the engagement dated November 21, 2017.

- **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated March 21, 2018.

- **Corrected and Uncorrected Misstatements**

  Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report there were no such misstatements noted.

- **Disagreements with Management**

  For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

- **Management Consultations with Other Independent Accountants**

  In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to DCVLP's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

- **Independence and Non-Audit Services Provided by Audit Firm**

  In accordance with professional standards, during the fiscal year and currently, all members of our firm were independent with respect to DCVLP

  During the year under audit, we provided corporate tax preparation services (IRS Form 990) and additional tax advice. All other time and expenses incurred by us were in connection with our annual audit.

This information is intended solely for the use of Board of Directors, Audit Committee and management of the D.C. Volunteer Lawyers Project, and is not intended to be, and should not be, used by anyone other than these specified parties.

Gelman Rosenberg & Freedman

March 21, 2018

FINANCIAL STATEMENTS

D.C. VOLUNTEER LAWYERS PROJECT

FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2016

D.C. VOLUNTEER LAWYERS PROJECT

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GELMAN, ROSENBERG
& FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
D.C. Volunteer Lawyers Project
Washington, D.C.

We have audited the accompanying financial statements of the D.C. Volunteer Lawyers Project (DCVLP), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DCVLP as of December 31, 2017, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited DCVLP's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

March 21, 2018

D.C. VOLUNTEER LAWYERS PROJECT

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

ASSETS

	2017	2016
CURRENT ASSETS		
Cash and cash equivalents	$ 543,703	$ 682,723
Accounts receivable	-	5,000
Grants receivable	132,743	143,331
Prepaid expenses	6,267	23,194
Total current assets	682,713	854,248
FIXED ASSETS		
Website	16,050	16,050
Less: Accumulated amortization	(13,775)	(8,425)
Total fixed assets	2,275	7,625
OTHER ASSETS	3,000	-
TOTAL ASSETS	**$ 687,988**	**$ 861,873**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 7,437	$ 8,723
Accrued salaries and related benefits	60,243	20,072
Total current liabilities	67,680	28,795
NET ASSETS		
Unrestricted	168,308	391,078
Board designated	442,000	442,000
Total unrestricted	610,308	833,078
Temporarily restricted	10,000	-
Total net assets	620,308	833,078
TOTAL LIABILITIES AND NET ASSETS	**$ 687,988**	**$ 861,873**

See accompanying notes to financial statements.

D.C. VOLUNTEER LAWYERS PROJECT

STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Contributions	$ 452,173	$ -	$ 452,173	$ 465,700
Foundation grants	360,575	80,000	440,575	538,974
Government grants	365,812	-	365,812	436,963
Contributed services and materials	5,341,473	-	5,341,473	3,990,011
Interest income	58	-	58	702
Net assets released from donor restrictions	70,000	(70,000)	-	-
Total revenue	6,590,091	10,000	6,600,091	5,432,350
EXPENSES				
Program Services	6,360,180	-	6,360,180	4,986,407
Supporting Services:				
Management and General	137,248	-	137,248	204,891
Fundraising	315,433	-	315,433	263,435
Total supporting services	452,681	-	452,681	468,326
Total expenses	6,812,861	-	6,812,861	5,454,733
Change in net assets	(222,770)	10,000	(212,770)	(22,383)
Net assets at beginning of year,	833,078	-	833,078	855,461
NET ASSETS AT END OF YEAR	**$ 610,308**	**$ 10,000**	**$ 620,308**	**$ 833,078**

See accompanying notes to financial statements.

D.C. VOLUNTEER LAWYERS PROJECT

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017					2016
		Supporting Services				
	Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and related expenses	$ 772,824	$ 109,839	$ 191,074	$ 300,913	$ 1,073,737	$ 1,048,863
Contributed services and materials	5,338,116	770	2,587	3,357	5,341,473	3,990,011
Facilities and equipment expenses	126,011	15,926	31,088	47,014	173,025	138,142
Other expenses	13,647	878	3,771	4,649	18,296	28,927
Professional fees	42,232	5,925	42,647	48,572	90,804	84,812
Administrative expenses	32,809	3,582	43,075	46,657	79,466	79,426
Direct Program expense	18,365	-	-	-	18,365	52,545
Insurance	12,989	291	568	859	13,848	18,436
Travel and meetings	3,187	37	623	660	3,847	13,571
TOTAL	**$ 6,360,180**	**$ 137,248**	**$ 315,433**	**$ 452,681**	**$ 6,812,861**	**$ 5,454,733**

See accompanying notes to financial statements.

D.C. VOLUNTEER LAWYERS PROJECT

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (212,770)	$ (22,383)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization	5,350	5,175
Decrease (increase) in:		
Accounts receivable	5,000	(5,000)
Grants receivable	10,588	(14,203)
Prepaid expenses	16,927	(1,116)
Other assets	(3,000)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	(1,286)	(13,126)
Accrued salaries and related benefits	40,171	3,705
Net cash used by operating activities	(139,020)	(46,948)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(6,300)
Net cash used by investing activities	-	(6,300)
Net decrease in cash and cash equivalents	(139,020)	(53,248)
Cash and cash equivalents at beginning of year	682,723	735,971
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 543,703**	**$ 682,723**

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The D.C. Volunteer Lawyers Project (DCVLP) is a non-profit organization whose mission is to provide high-quality, free legal services to low-income individuals in the District of Columbia for family law cases. Founded in 2008, DCVLP's primary mission is to increase the number of experienced, trained attorneys providing pro-bono representation to indigent clients in the area of family law. DCVLP provides the necessary resources, such as, office space, malpractice insurance, training programs, and active mentoring & supervision to volunteer attorneys. The attorneys of the organization provide pro-bono legal representation to individuals such as; survivors of domestic violence, children in high-conflict custody cases, and foster parents in adoption matters. DCVLP receives funding from individuals, corporations and government grants.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with DCVLP's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Cash and cash equivalents -

DCVLP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, DCVLP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Accounts and grants receivable -

Accounts and grants receivable approximate fair value. Management considers all amounts to be fully collectible within one year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of $5,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Amortization expense for the year ended December 31, 2017 totaled $5,350 and is included on the Statement of Functional Expenses.

Income taxes -

DCVLP is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. DCVLP is not a private foundation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Uncertain tax positions -

For the year ended December 31, 2017, DCVLP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of DCVLP and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of DCVLP and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Unrestricted and temporarily restricted contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

DCVLP receives funding under grants and contracts from the U.S. Government and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements.

Grants and support receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements.

Contributed services and materials -

Contributed services and materials consist primarily of legal representation provided by volunteer attorneys to the clients of the organization and accounting services. Contributed services and materials are recorded at their fair market value as of the date of the gift.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New accounting pronouncements not yet adopted -

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958), intended to improve financial reporting for not-for-profit entity. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year that the ASU is first applied. While the ASU will change the presentation of DCVLP's financial statements, it is not expected to alter DCVLP's reported financial position activities.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. DCVLP has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

DCVLP plans to adopt the new ASUs at the respective required implementation dates.

2. BOARD DESIGNATED NET ASSETS

As of December 31, 2017, net assets have been designated by the Board of Directors for the following purposes:

Operating Reserve	**$ 442,000**

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2017:

Time Restricted	**$ 10,000**

The following temporarily restricted net assets were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors:

Civil Protection Orders	$ 60,000
Time Restricted	10,000
TOTAL NET ASSETS RELEASED FROM DONOR RESTRICTIONS	**$ 70,000**

4. CONTRIBUTED SERVICES AND MATERIALS

During the year ended December 31, 2017, DCVLP was the beneficiary of professional services which allowed DCVLP to provide greater resources toward various programs.

To properly reflect total program expenses, the following donations have been included in revenue and expense for the year ended December 31, 2017.

Pro-Bono Legal & Consulting Services	**$ 5,341,473**

5. LEASE COMMITMENTS

DCVLP leases office space under a one-year agreement, renewable at the end of each year, which began in February 2013 and extended through July 2014. Base rent was $5,500 per month.

In August 2014, DCVLP entered into a second amendment, which extended the lease to July 31, 2016, with base rent at $9,000 per month, plus a proportionate share of expenses, increasing by a factor of 4% on the first day of August 2016.

In April 2016, DCVLP entered into a third amendment, which extended the lease to July 31, 2018, with a base rent of $14,000 per month, plus a proportionate share of expenses, increasing by a factor of 4% on the first day of August 2018.

The following is a schedule of the future minimum lease payments:

Year Ending December 31, 2018	**$ 98,000**

Rent expense for the year ended December 31, 2017 was $172,800 and is included on the statement of functional expenses.

6. RETIREMENT PLAN

The DCVLP provides retirement benefits to its employees through a defined contribution plan covering all full-time employees. There is no matching of employee contributions. DCVLP made no contributions to the plan during 2017.

7. SUBSEQUENT EVENTS

In preparing these financial statements, DCVLP has evaluated events and transactions for potential recognition or disclosure through March 21, 2018, the date the financial statements were issued.